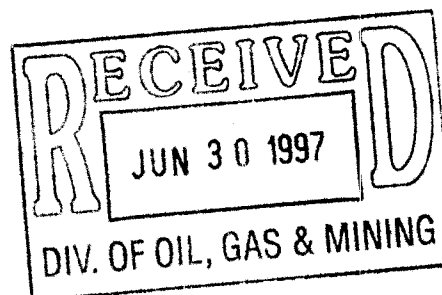


USMX

June 26, 1997

Mr. D. Wayne Hedberg
 Utah Division of Oil, Gas and Mining
 1594 West North Temple Suite 1210
 PO Box 145801
 Salt Lake City, Utah 84114-5801

Reference: Request for Partial Reduction and Reclamation Release
USMX of Utah, Inc.
Goldstrike Mine M/053/005

Dear Mr. Hedberg:

As of June 25, 1997, USMX believes that we have completed additional reclamation obligations at the Goldstrike Mine totaling \$641,408.00.

Please find below the categories of work and percentage of completion.
 (Reference: August 20, 1993 Amended Notice of Intention to Commence Mining Operations for the USMX Goldstrike Project (NOI) Volume 1, Chapter 9, pages 96-109.)

<u>Description</u>	August 20, 1993 <u>NOI Surety</u> <u>Estimate</u>	<u>Percentage</u> <u>Completion</u>	<u>Funds Requested</u> <u>to be Released</u>
<u>8.1 Decommissioning</u>			
Leach Pads ¹	\$648,800	50%	\$369,000
<u>8.2 Regrading²</u>			
Leach Pad #1	47,259	100%	47,259
<u>8.6 Topsoiling³</u>			
Hassayampa Pit	54,543	95%	51,816
(Leach Pad #1)			
Hamburg Pit	22,516	40%	9,007
Plant Area	56,571	35%	19,266
Moosehead Pit Area*	47,328	100%	2,367
Beavertail pit Area*	27,915	100%	1,393
(* 95% released 9/4/95)			

USMX of Utah, Inc.

P.O. Box 2650, St. George, Utah 84770
 (801) 574-3164 FAX (801) 574-3269
 NASDAQ Symbol - USMX

8.7 Revegetation

Total Revegetation	\$122,000	75%	\$92,100
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8.8 High Wall Fencing

Total High Wall Fencing	6,200	100%	6,200
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8.10 Construction Supervision⁴

Total Const. Supvsn.	86,000	50%	<u>43,000</u>
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Total \$641,408

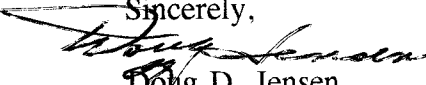
1. The goal for decommissioning the heaps was to attain a free cyanide level of less or equal to 0.25 ppm. This was to be accomplished by a combination of rinsing and the application of alkaline chloride. This level has been attained as evidenced by the enclosed analyses. The need for alkaline chlorine to achieve this level was not required therefore we feel that all the reagent costs should be released. Pad rinsing has been on-going for the last three years and with the low constituent levels presently reflected by these analyses we believe that a portion of the decommissioning costs should also be released.
2. Dollar amounts for the surety estimate per area are based upon proration of the yardage for each area against the total yardage as it appears in Table 8.2-1 on page 100 of the NOI.
3. Dollar amounts for the surety estimate per area are based upon proration of the work time for each area against the total work time as it appears in Table 8.6-1 on pages 104-105 of the NOI.
4. As previously addressed, decommissioning has been on going for the past three years.

At this time USMX requests that you consider a partial bond release against the surety amounts now being held. The request for a partial release is based upon work completed since the last review and the maturity of the revegetation.

During your site visit to review the items mentioned above, USMX would also like to request an evaluation of the revegetation on exploration sites. These areas were inspected and approved by UDOGM in Sept of 1995, with the exception of the revegetation which lacked the maturity for release at that time.

If you have and questions, please contact me at 801-574-3164.

Sincerely,


Doug D. Jensen
Environmental Coordinaor

CC: Joe Kircher, Dakota Mines
Alan Bell, Dakota Mines
Larry Gore, BLM-Dixie Resource Office

USMX